

**Administrative Order
No. 38
August 11, 1992**

**SUBJECT : Prescribing Conditions for the Operation
of Sawmills and Mini-Sawmills**

1. In view of the proliferation of illegally cut logs which find its way to the sawmills and mini-sawmills in the surrounding areas, there is a need to stop such activity by regulating the operations of these sawmills.
2. Henceforth, only sawmills and mini-sawmills with assured legitimate sources of raw materials equivalent to 100% of its log requirement shall be given permit to operate. Legitimate raw material sources refer to Timber License Agreements and Industrial Forest Management Agreement holders which have valid timber harvesting authorities.
3. All sawmills and mini-sawmills without assured legitimate sources shall not be issued permits to operate. The Regional Executive Directors or their duly authorized representatives are hereby instructed to immediately cancel the permits of such sawmills/mini-sawmills without assured legitimate raw material sources, and to effect the cessation of further operations of such mills, subject to the following:
 - 3.1 mills with outstanding permits which have no identified legitimate sources and have no raw materials stocks within the mill compound as of the effectivity of this Order, shall be immediately closed, and their permits revoked;
 - 3.2 mills with outstanding permits which have an assured legitimate source, and have raw material stocks within the mill compound, shall be given reasonable time to process such raw material, provided no further deliveries of raw materials are made, after which it shall immediately be closed, and their permits revoked;
4. Mini-sawmills are henceforth limited to the processing of logging and sawmill wastes, tops and branches. Processing of raw materials other than such wastes, tops and branches shall be considered an outright violation of this Order.

5. This Order takes effect immediately and supersedes all other Orders, memoranda, circulars, inconsistent herewith.

RICARDO M. UMALI
OIC, Secretary